

## Message Text

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ORIGIN OPIC-12

INFO OCT-01 EA-11 ISO-00 EB-11 AID-20 TRSE-00 COME-00

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66610

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EA/VN:JFINNEY

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R 162227Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

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E.O. 11652: N/A

TAGS: EINV

SUBJ: OPIC INSURANCE

REF: SAIGON 10718

1. OPIC APPRECIATES EMBASSY'S ASSISTANCE TO DATE IN MATTERS DEALING WITH INSURANCE PROGRAM AND, IN PARTICULAR, RUFUS A. LONG'S THOUGHTFUL COMMENTS REGARDING SPECIFICS OF PROJECTS UNDER REVIEW.

2. OPIC IS NOW FOCUSING ON FOUR EXISTING APPLICATIONS: FIRST NATIONAL CITY BANK 498-71-219; INTERNATIONAL DAIRY ENGINEERING COMPANY 498-74-124; KENTRON HAWAII LTD. 498-74-092; SINGER COMPANY 498-71-252. IMMEDIATE CONCERN DIRECTED AT TWO AREAS: ADEQUACY OF THE FOREIGN GOVERNMENT APPROVAL (FGA) AND THE SECURITY RISK FEATURES OF EACH PROJECT.

3. TWO OF THE SUBJECT APPLICATIONS ALREADY HAVE FGAS. THE MINISTRY OF ECONOMY ORIGINALLY ISSUED AN FGA FOR SINGER'S PROJECT ON JULY 9, 1971 AND FOR FNCB'S PROJECT ON OCTOBER 28, 1971. TWO QUES-  
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TIONS ARISE. AS YOU KNOW, THE MINISTRY OF ECONOMY HAS BEEN ELI-

MINATED AND THE AUTHORITY TO ISSUE OPIC FGAS TRANSFERRED TO THE NEWLY ESTABLISHED MINISTRY OF TRADE AND INDUSTRY (MTI) HEADED BY MR. NGUYEN DUC CUONG. WOULD THE EMBASSY EXPRESS ITS VIEW ON THE APPROPRIATENESS OF REQUESTING THAT THE NEW MTI ISSUE NEW FGAS TO THESE TWO FIRMS? COULD THE EMBASSY ASSIST IN "WALKING" THESE INITIAL CASES THROUGH THE OPIC FGA PROCEDURE WITH THE MTI? AN AUSPICIOUS BEGINNING WOULD, IN OPIC'S OPINION, GO A LONG WAY TOWARD AVOIDING FUTURE BUREAUCRATIC DELAYS.

4. OPIC'S NEW POLICY GUIDELINE FOR "OPERATIONS IN INDO-CHINA" PROVIDES, INTER ALIA, AS FOLLOWS: QUOTE: RISK ASSESSMENT. EACH PROJECT APPROVAL PAPER SUBMITTED TO THE BOARD SHALL BE ACCOMPANIED BY A CURRENT ASSESSMENT OF RISKS SPECIFICALLY RELATED TO THE PROJECT AND ITS IMMEDIATE GEOGRAPHIC SETTING. FEES. INSURANCE PREMIUM RATES AND TERMS OF FINANCING SHALL BE COMMENSURATE WITH THE CORPORATION'S JUDGMENT OF THE RISKS IT IS TO ASSUME. PROVISION FOR PERIODIC ADJUSTMENT OF PREMIUM RATES WITHIN STATED LIMITS, MAY BE NEGOTIATED. END QUOTE.

5. OPIC REQUESTS THAT THE EMBASSY TRANSMIT ITS RISK-ASSESSMENT ON EACH PROJECT. SINGER, FNCB, AND INTERNATIONAL DAIRY MAY BE THE FIRST THREE PROJECTS TAKEN TO OPIC'S BOARD.

6. PROJECT APPROVAL PAPERS TO BE SUBMITTED TO THE BOARD MUST BE COMPLETED NOT LATER THAN AUGUST 28. IF AT ALL POSSIBLE, OPIC WOULD APPRECIATE EMBASSY COMMENTS ON THE RISK FEATURES OF THE SINGER, FNCB, AND INTERNATIONAL DAIRY PROJECTS AS SOON AS POSSIBLE IN ORDER TO PROVIDE THE BOARD INFORMATION ON WHICH TO DISCUSS THE ELIGIBILITY OF THESE PROJECTS FOR INSURANCE AND, IF ELIGIBLE, THE APPROPRIATE PREMIUM RATES TO BE CHARGED.

7. REGARDING PARAGRAPH 2 REFTTEL, OPIC PROCEDURES REQUIRE THAT FORM 52 BE PROVIDED THE INVESTOR ONLY IF AND WHEN A REQUEST FOR REGISTRATION (OPIC 50), ACCOMPANIED BY A REGISTRATION FEE, IS MADE TO AND APPROVED BY OPIC. OPIC FORWARDING BY AIRGRAM COPIES OF FORM 50, WHICH CAN BE MADE AVAILABLE TO INVESTORS ON REQUEST. KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, NORTH STAR, INVESTMENTS, TAX RELIEF  
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**Copy:** SINGLE  
**Draft Date:** 16 AUG 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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